

Message Text

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PAGE 01 STATE 030574
ORIGIN FAA-00

INFO OCT-01 EA-12 ISO-00 EB-08 CAB-05 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 L-03 /036 R

DRAFTED BY FAA/AIA-221:GWMCMILLAN
APPROVED BY EB/OA/AVP:GGRIFFITHS
EB/OA/AVP:JSGRAVATT
EA/K:BPORTER

-----054916 041804Z /43

R 040844Z PEB 78
FM SECSTATE WASHDC
TO AMEMBASSY SEOUL

UNCLAS STATE 030574

E.O. 11652: N/A

TAGS: EAIR, KS

SUBJECT: KCAB BID ESTIMATES

REFERENCE: STATE 18206; SEOUL 824

1. REQUEST EMBASSY ADVISE MR. JIN HWAN SUH THAT HIS
1/6/78 LETTER, HIS 1/23/78 AND 1/18/78 TELEXES TO
MR. FINK, FAA/W HAVE BEEN RECEIVED AND PASS FOLLOWING
TO MR. J. H. SUH:

2. IT IS IMPORTANT THAT KCAB REALIZE THAT FAA HAS ALSO
EXPERIENCED SUBSTANTIAL INFLATIONARY INCREASES DURING
THE PAST SEVERAL YEARS. IN SOME CASES, MAJOR SYSTEMS
AND EQUIPMENT PRICES HAVE INCREASED IN EXCESS OF
100 PERCENT. WORLD WIDE FUEL/ENERGY RELATED COST
INCREASES HAVE BEEN A SIGNIFICANT FACTOR IN CONTRIBUTING
TO THE UNUSUAL PRICE INCREASES FOR ALL TYPES OF SYSTEMS,
EQUIPMENT AND SERVICES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 030574

3. FAA HAS COMPLETED ANALYSIS OF MOST CURRENT PRICES
FOR RADAR/AUTOMATION SYSTEMS (RADAR, ARTS, DISPLAYS,
SSR, BRITE, RADAR TEST EQUIPMENT, CONSTRUCTION MATERIAL
AND RELATED SERVICES) WHICH ARE THE SYSTEMS IN WHICH
MOST SIGNIFICANT INCREASES HAVE BEEN OBSERVED BY FAA.

FAA ESTIMATES CURRENT PRICES TO BE US \$4.1 MILLION WHICH DOES NOT TAKE INTO ACCOUNT ANTICIPATED INCREASES DURING INTERIM PERIOD FROM PRESENT UNTIL CONTRACT COMPLETION.

4. FAA ESTIMATES REMAINING ITEMS HAVE INCREASED ABOUT 20 PERCENT, YIELDING APPROXIMATELY US \$7.1 MILLION DOLLARS FOR TOTAL KIMPO SYSTEM.

5. ALTHOUGH THE ULTIMATE DECISION TO PROCEED WITH THE CURRENT BIDS, OR TO REBID, RESTS WITH ROK OFFICIALS, THE FOLLOWING IS APPARENT: CURRENT FAA COST ESTIMATES DO NOT APPEAR TO BE SIGNIFICANTLY DIFFERENT FROM THE BIDDERS ESTIMATES IF ALL RELATED FACTORS ARE CONSIDERED. SOME OF THESE FACTORS ARE FAA QUANTITY PROCUREMENT VS. UNIT PROCUREMENT; DUPLICATION OF EFFORT AND COSTS DUE TO SEVERAL CONTRACTORS VS. ONE PRIME CONTRACTOR; RISK AND CONTINGENCY FACTORS NOT PRESENT IN SALES TO US GOVERNMENT.

6. FOLLOWING IS PROVIDED IN REGARD SEOUL TELEX 28/1540. SINCE SYSTEM REQUIREMENTS WERE BASED ON KCAB OPERATIONAL NEEDS, FAA UNABLE TO RECOMMEND DELETION OF ANY PORTION OF THE PROPOSED SYSTEM TO ACCOMMODATE COST REDUCTION.

7. APPRECIATE ASSISTANCE IN ADVISING THAT BID PACKAGES UNCLASSIFIED

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PAGE 03 STATE 030574

OSROK MADE AVAILABLE TO VENDORS ARE FORTHCOMING. YOUR TELEX WAS FIRST INDICATION TO FAA THAT BID PACKAGES WERE SIMILAR TO THOSE PROVIDED BY FAA CAAG EXCEPT FOR BREAKOUT INTO SEVERAL PROPOSALS RATHER THAN THE ONE SYSTEM CONTRACTOR CONCEPT RECOMMENDED BY FAA. VANCE

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR FARES, CIVIL AVIATION, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE030574
Document Source: CORE
Document Unique ID: 00
Drafter: 221:GWMCMILLAN
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Expiration:
Film Number: D780054-0376
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197802116/aaaafteh.tel
Line Count: 104
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON MICROFILM, TEXT ON-LINE
Message ID: 5ecc21cf-c288-dd11-92da-001cc4696bcc
Office: ORIGIN FAA
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Reference: 78 STATE 18206, 78 SEOUL 824
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3466033
Secure: OPEN
Status: <DBA CORRECTED> gwr 970903
Subject: KCAB BID ESTIMATES
TAGS: EAIR, KS, FAA
To: SEOUL
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/5ecc21cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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